



27th August 2013

To all registered Cashback Providers

I write to advise you of some potential changes I am considering making to the Green Deal Cashback Provider Terms and Conditions to improve take-up even further.

You will be aware that Cashback was intended to incentivise demand for the Green Deal as a whole, across the whole supply chain and across a wide range of measures. However, this is a work in progress – recently published Green Deal statistics show that there is still scope to see a more diverse supply chain. In the remaining months of operation, we want to see a significant increase in the number of customers applying for Cashback and making installations as a result.

So in order to help more customers to be able to benefit from Cashback and widen the number of companies involved, I am considering making two changes to the terms and conditions, on which I would like to consult you:

- 1) Allowing customers to apply for Cashback without having to use a Provider to arrange the work.

Our figures show that very few Providers are offering Cashback at any kind of scale, even to self-funders; this change could open up the market by allowing wider consumer choice and therefore make Cashback more effective as a lever for encouraging energy efficiency installations. If we were to make this change, we would still require consumers to have a Green Deal Assessment, and they would need to use a Green Deal certified installer. Consumers could still use a Provider if they wished, and there would be clear benefits to them doing so, but it would be not mandatory.

- 2) Remove the requirement for installations to have an insurance-backed guarantee, when consumers pay for measures up-front

The IBG provides protection to future Green Deal Charge payers, but could be made optional to consumers who pay for measures up front and in full. This could reduce the burden to the Green Deal supply chain in accessing Cashback for customers.



Department
of Energy &
Climate Change

I am also considering whether further conditionality could and should be put in place to prevent the scheme mainly subsidising boiler installations.

My Department is working through the potential impact these suggestions would have if they were to go ahead, and no decisions have yet been made; I welcome your views to help inform that analysis, and also any suggestions of your own as to how to broaden the Cashback market within the next few months. Please email lisa.pinnell@decc.gsi.gov.uk by 10th September 2013.

Yours sincerely

A handwritten signature in black ink, consisting of a large initial 'G' followed by a series of loops and a horizontal line.

GREGORY BARKER